

OR/
ODOT
Biennial
1981-83
C. 2

Challenge for the 80's



APRIL 1983
OREGON DEPARTMENT OF TRANSPORTATION

INTRODUCTION

The OREGON DEPARTMENT OF TRANSPORTATION is organized into five operating divisions and a central services unit under the five-person Transportation Commission appointed by the Governor. The department currently has approximately 4,000 employees and a biennial budget in excess of \$800 million.

The department's operating divisions include:

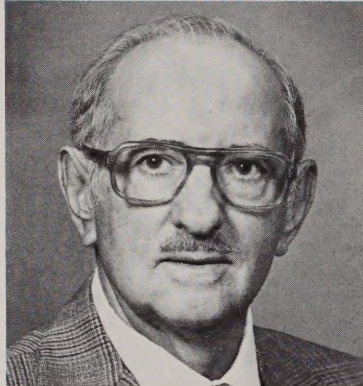
- Aeronautics
- Highway
- Motor Vehicles
- Parks and Recreation
- Public Transit

In addition to the duties inherent in the operation of these divisions, it is the responsibility of the Department of Transportation to *"bring together programs that meet the objectives of contributing to the growth and economy of the State by providing for the movement of persons and goods rapidly, safely and economically; by protecting people and property through effective administration of driver, motor vehicles and aviation laws; by meeting recreational needs of Oregonians and touring visitors by providing recreational facilities; and by promoting tourism."*

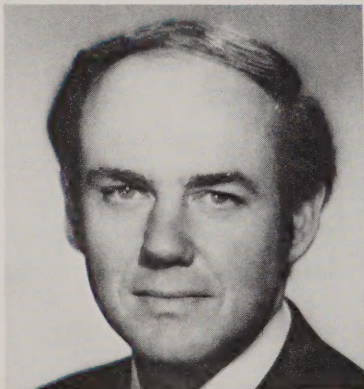
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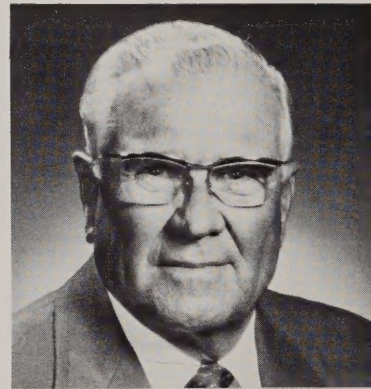
OREGON TRANSPORTATION COMMISSION



Anthony Yturri, *Chairman*



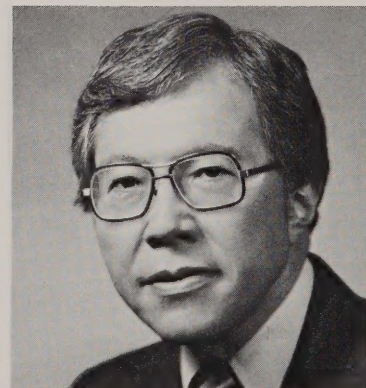
Peter J. Brix, *Vice-Chairman*



N. B. Giustina, *Member*



Robert F. Dwyer, *Member*



Samuel T. Naito, *Member*

LETTER FROM THE COMMISSION

Despite the effects of a troubled economy, which severely impacted department revenue, the Transportation Commission has been pleased with the performance of the department, the divisions and our employees during the past biennium.

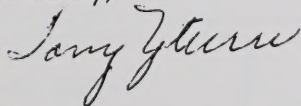
A badly needed gas tax measure failed narrowly at the polls, general-funded Parks and Public Transit budgets were reduced during special sessions of the Legislature, and Aeronautics' revenues fell off seriously below budget levels--all impairing the ability of the department to maintain a traditional level of service.

Nonetheless, we have seen some notable accomplishments. The 1981 Legislature enacted a one-cent gas tax increase, without referral, permitting the Highway Division to continue a full federal aid program through the 1981-83 biennium. The Glenn Jackson (I-205) Bridge was completed, ahead of schedule, and work was begun on the complex Banfield Transitway project. The Deschutes River Purchase retained a significant portion of land along that valuable stream for continued public use and enjoyment.

Through accomplishment and adversity, the great strength of the department is in its people--in the dedication of our employees, and in the skill and resourcefulness of our managers. Though the total work force is at its lowest ebb in many years, morale remained high, programs continued to function well, and service levels to Oregonians were, by and large, maintained.

As we try to plan for the future, we realize that our fiscal constraints may continue for several years, and that the department will be obliged to turn, wherever possible, to technology as a means of maintaining service. And with a shrinking work force, great emphasis must be given to training and career development, so that our employees can meet statutory and program requirements effectively. These efforts are underway and will be pursued vigorously.

Sincerely,



Tony Yturri, Chairman
Oregon Transportation Commission

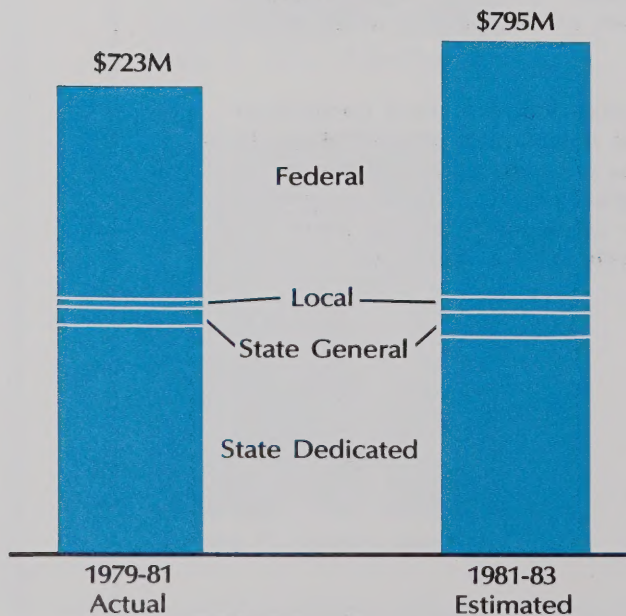
FINANCIAL HIGHLIGHTS

REVENUE

The programs of the department are financed from four types of revenue: state general funds, dedicated state funds, local cooperative funds and federal assistance. Approximately 90% of state dedicated, local and federal funds are highway trust funds, or otherwise earmarked for use in highway or highway-related programs. They finance the Highway Division, most of Motor Vehicles Division and much of Central Services. General funds go to Central Services, Parks and Public Transit while the Aeronautics Division and part of the Parks program are financed from dedicated state and federal funds.

Overall revenue levels rose slightly during the 1981-83 biennium due to increases in federal assistance. State revenue did not grow and would have declined without the \$27 million dollars raised by a one-cent increase in the state gas tax and proportional increases in the weight-mile tax which went into effect in January 1982.

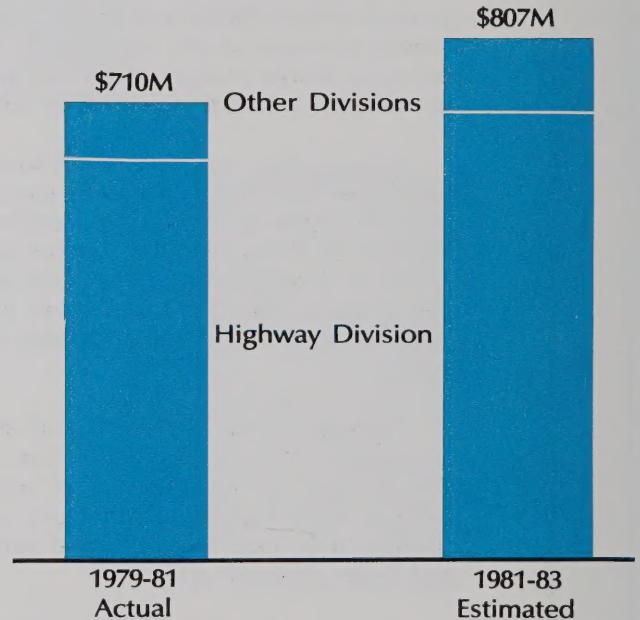
BIENNIAL REVENUE



EXPENDITURES 1981-83

By the end of the biennium, department expenditures are expected to reach \$807 million. This is \$97 million more than expenditures for the 1979-81 biennium, but \$34 million less than the legislatively approved budget.

BIENNIAL EXPENDITURES



A breakdown of expenditures for the 1981-83 biennium shows that the Highway Division is the largest of the ODOT agencies with biennial expenditures of \$692 million. The smallest is the Aeronautics Division with a budget of \$3 million.

IMPACT OF THE RECESSION

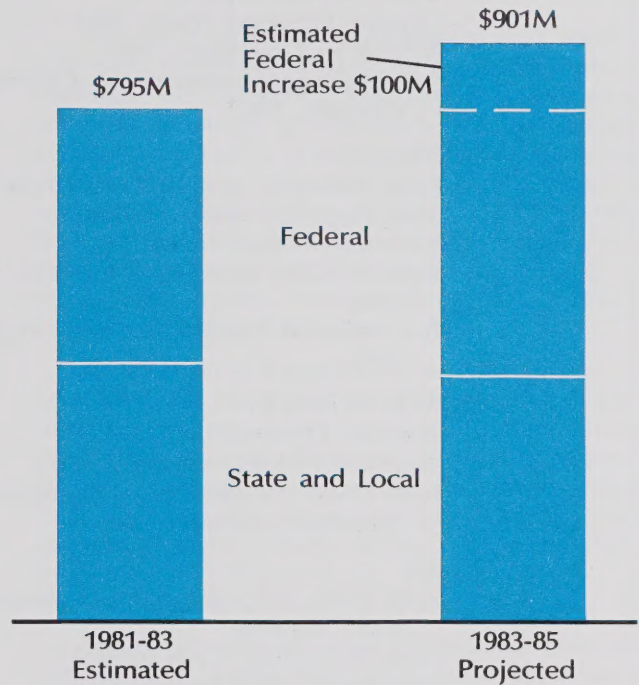
Generally the department has weathered the recession fairly well. By managing cutbacks in response to lowered revenue forecasts, and by enhancing revenue where possible, the department was able to continue all programs, though at reduced levels.

A steady decline in staff was slightly accelerated by the recession but layoffs were avoided by reducing staff through attrition.

1983-85 PROJECTIONS

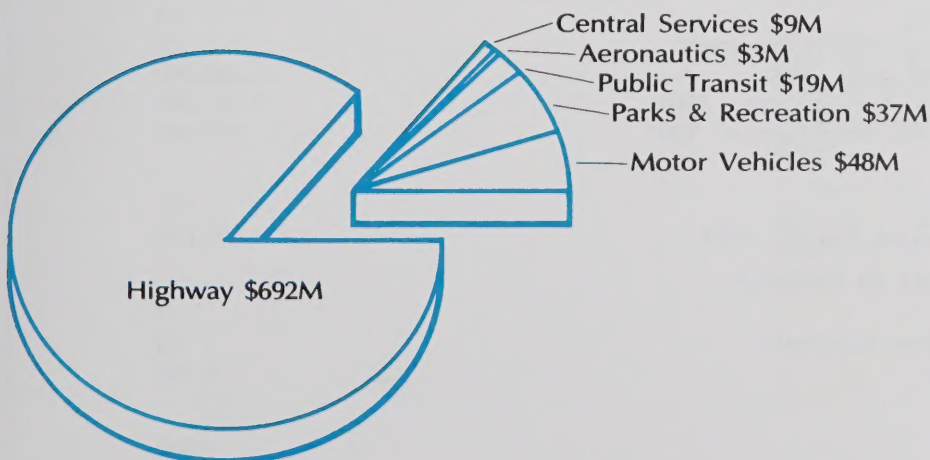
The five-cent increase in the federal gas tax could have a significant impact on the department, increasing 1983-85 biennial expenditures for highways and public transit by over \$100 million. However, existing state revenues will not allow use of all federal funds available to Oregon. It is estimated that an additional \$30 million will be required to match all federal funds during the 1983-85 biennium and maintain the existing maintenance program.

PROJECTED REVENUE



State revenue is projected to decline during the 1983-85 biennium unless additional state funds are made available or fees increased for the Highway, Aeronautics and Parks Divisions. Without increases in state revenue, Aeronautics and Parks programs will have to be reduced.

1981-83 BIENNIAL EXPENDITURES By Division



STATISTICAL HIGHLIGHTS

AERONAUTICS

Public Use Airports and Heliports	113
Personal Use Airports and Heliports	292
State-Owned Airports	37
Oregon Licensed Pilots, 1981	11,228
Aircraft in Operation, 1981	5,046
Passenger Enplanements on Certified Air Carriers, 1980	2,187,000

HIGHWAYS

Total Highways and Road Network Miles	123,393
State Highway System Miles	7,563
Interstate System Miles	702
Vehicle Miles Traveled Over State Highways, 1981	11,963,000,000
Ton Miles of Travel Over State Highways, 1981	53,027,000,000

MOTOR VEHICLES

Licensed Drivers, 1981	1,967,386
Registered Motor Vehicles, 1981	2,565,399
Total DMV Transactions, 1981 (driver originals, renewals, etc.)	6,833,418

PARKS

State Parks, Recreation Areas, Waysides and Preserves	229
State Recreation Trails (miles)	1,662
State Parks Land Base (acres)	88,360
State Scenic Waterways (miles)	500
Campsites	5,535
Day Use Visitation (FY 1981)	33,000,000
Camper Nights	1,500,000

PUBLIC TRANSIT

Intercity Bus Companies	15
Intercity Rail Passenger Service (AMTRAK)	1
Local Transit Systems	24
Other Special Transportation Providers	28
Ridership, urbanized areas, 1981	53,288,000
Ridership, small city, & rural areas, 1981	1,165,000
Ridership, elderly and handicapped, 1981	288,000

WATER COMMERCE

Public Port Districts	23
Waterway Ton Miles of Freight, 1978	4,414,000,000

RAILROADS OPERATING IN OREGON

Class I Carriers	3
Independent Shortline Railroads	13
Line Miles of Track	3,100

PIPELINES

Gas (miles)	9,060
Oil (miles)	408

A DISCUSSION WITH THE DIRECTOR



What are the major responsibilities of your department?

We are a large, diverse agency, and probably best known for providing transportation facilities. We construct, maintain and operate a statewide network of highways. We own, operate and maintain a system of 37 airports located around the state. We also assist in the development of a statewide system of locally owned and operated airports open to the public. We have played an important role in developing local public transit systems, particularly in the small communities and rural areas.

In addition to transportation, we are responsible for parks and tourism programs. We maintain and operate a very high quality system of state parks and administer programs to preserve significant natural areas and historic buildings. Our tourism promotion program, in cooperation with the private sector, brings millions of visitors to Oregon every year and their expenditures total more than \$1 billion.

Finally, I am sure every Oregonian over the age of 15 is familiar with our Motor Vehicles Division, which is responsible for licensing drivers and vehicles and for the collection of fuel taxes, as well as the licensing of certain vehicle-related businesses. The division operates 61 field offices to provide convenient service to all parts of the state.

It is important to note two things that our department is not. First, outside of our vehicle licensing and truck weight and safety enforcement functions, we are not a regulatory agency. Transportation regulation is, for the most part, the responsibility of the Public Utility Commissioner.

Secondly, we are not a transportation operator. Trucking, bus, air and rail services remain in the private sector, or under the jurisdiction of local units of government.

How would you describe the condition of the transportation facilities and services in Oregon?

Generally, Oregonians can be extremely proud of their highway, public transit, aviation and parks facilities. This is true of the Motor Vehicles Division services as well.

Although the State Highway System provides good linkage between most areas of the state, deteriorating pavement conditions are becoming an increasing problem. Results of the 1982 Roadway Condition Survey indicate that nearly one-half of the 7,600-mile State Highway System is in "poor" or "very poor" condition. Another large percentage of the system, rated as "fair," is also showing signs of deterioration.

Bridges in Oregon are a problem as well. Although 80 percent of them are in "good" condition, many of those in the "fair" and "poor" condition will soon require major rehabilitation or replacement, and that will be extremely costly.

Our state airports are basically adequate and usable. We are fortunate in that we don't have any major runway safety problems, at this time.

Much to the credit of our Public Transit Division, the availability and quality of public transportation services in the state have improved substantially over the past 10 years. This is particularly true for the smaller and rural communities of the state.

Except for some seasonal park closures during the 1981-83 biennium, we have generally been able to maintain the high quality of our parks system, but that has been accomplished to some extent at the expense of decreased acquisition and rehabilitation budgets. We feel very strongly about maintaining the quality of our parks. If revenues are not sufficient in the future to keep maintenance at an acceptable level, we will have to consider permanently closing some facilities.

Finally, we are very proud of the services provided by our Motor Vehicles Division. Good management and technological improvements have enabled us to meet or exceed our goals for customer waiting time, registration processing, and time for posting convictions. Through management and systems improvements, the division continues to offer services to more Oregonians, with fewer staff positions, from one biennium to the next.

How will the 5-cent federal gas tax increase affect your department?

Naturally, we are very pleased with the additional money Oregon will receive to assist highway and public transit programs. The new law will boost federal assistance to Oregon's highways by about \$50 million per year for the next four years, allowing us to speed up projects in the Six-Year Program. It will also increase federal assistance to local transit systems by about 50 percent and improve the Public Transit Division's ability to assist small city and rural transit operators.

But the new federal Act will also place an added strain on state highway revenue. The state must provide \$1 in matching for every \$8 in federal funds. We are confronted with declining state highway revenue and a shortage of funding for highway maintenance. We are now faced with the very difficult choice between reducing the maintenance program, turning back federal funds, or asking for increases in state highway taxes.

What do you consider the department's greatest successes over the past year?

We have, I think enjoyed some external and internal successes. Most importantly, our services to the public have generally been maintained, under rather severe financial constraints.

Two accomplishments that come to mind immediately are the completion of the Glenn Jackson Bridge and the progress on the Banfield Light-Rail Project. The Banfield Project is the result of an outstanding cooperative effort between state and local governments. Its moving along well, and is scheduled for completion in 1986.

Considerable work has been accomplished on our highway system throughout the state. Seven projects, totaling \$36 million, were contracted to modernize 24 miles of highway. Twenty-one projects totaling \$44 million were contracted as part of the resurfacing effort and another \$20 million was contracted for bridges and safety improvements.

The Aeronautics Division has made some significant advances in its planning effort. Through our Comprehensive Planning Coordination Program, the division has worked closely with local governments and LCDC to bring about height restrictions and compatible zoning in areas surrounding airports. The division has also received national recognition for its work in forecasting.

The Public Transit Division has continued to administer all programs authorized by the Legislature, although at a reduced level from the amount originally requested. It should be noted that the success of the Public Transit Division is best viewed through improvements in local transit operations around the state. Despite the recession and cutbacks in funding, improvements are being made. Examples of such improvements, where the state has assisted, include the completion of the new River Road Transit Station in Eugene and work on the Light-Rail Transit Project in Portland.

Probably the most significant accomplishment of the Parks Division has been in obtaining an option agreement for the purchase of 3,220 acres along 13 miles of the Deschutes River to protect public fishing access. The purchase will be a joint effort involving Parks, Department of Fish and Wildlife and a private foundation. Parks Division Administrator Dave Talbot has taken the lead role in negotiating the agreement.

Many significant internal improvements have been accomplished by Central Services and our Motor Vehicles Division. A system of computer terminals is being installed in Motor Vehicle field offices, for example, that will provide more accurate and timely issuance of driver licenses. Other examples include the microwave system and the new central copy center serving the Transportation Building. Other applications of office technology are being implemented within the department as well, with the objective of saving money and better serving the public.

What are the largest problems you see ahead for the department?

The major challenge will be to do the best possible job in the future with diminishing resources.

The situation is especially critical in Aeronautics and Parks. The recession has reduced Aeronautics Division revenue to 65 percent of budgeted levels during the 1981-83 biennium. An increase in aviation user fees will be required to maintain most existing programs during the next biennium.

The Parks and Recreation Division is faced with a similar situation. Park user fees and other dedicated revenue are not sufficient to maintain an effective program without supplements of state general funds and federal assistance. But both state and federal funds have declined since the 1979-81 biennium.

The funding problem is also critical for the highway program. The growth in motor vehicle taxes no longer offsets inflation. By 1984, we could face--for the first time--the situation of not being able to match all federal aid, short of making still deeper cuts in the maintenance program.

It is estimated that inflation will force the maintenance budget to grow an additional \$6-7 million per year during the latter half of the 1980's. During this same period, however, state revenues will only increase by \$2 million per year.

In the meantime, more funds will also be required to carry out a state-funded preservation program. Our current revenue structure simply is not adequate to get us through the next several years.

The second challenge will be to continue to make improvements in management, specifically in the area of financial systems. We are looking at some extensive changes in our accounting system.

Another problem is the structure of our work force. A recent survey indicates that the Highway Division stands to lose 13 of its top 15 managers over the next few years. Furthermore, 15 percent or 440 of the division's 2,990 employees are eligible to retire this year.

There are several reasons for this situation. First, the division hired a lot of talented employees during the 1950's to tackle the Interstate and other major construction jobs. Secondly, legislation was passed in 1981 enabling state employees to retire at age 55 if they have 30 years service and at 58, regardless of the length of service.

Although the figures are not available for the other divisions a similar situation no doubt exists with them as well, but on a smaller scale.

The positive side of the situation is that the wave of retirements will create numerous promotional opportunities for career employees who remain. This represents a dramatic change from previous years when advancements were limited and layoffs sometimes were required to accommodate revenue shortfalls.

All of this means we will have to give a great deal of attention to manpower planning, recruitment and training. We will need to identify our resource requirements and specific areas of deficiency. It's going to be a considerable challenge.

How has the recession impacted the department?

The recession has had a substantial impact, but I am confident that we will emerge from the current economic difficulties in a strong condition.

The economy has affected us in several ways. First, our divisions which are supported in part by the General Fund--Parks and Public Transit--have had to cut back, like most other state agencies. A series of off-season closures of parks has been ordered as a result of approximately \$117,000 in cutbacks in our park maintenance and operations budgets during the first 1982 special legislative session. A later special legislative session reduction of \$63,000 was offset by the expansion of the \$1 day-use fee on summer weekends and holidays.

Public Transit absorbed a major cut (\$440,000) during the first special session, with the greatest impact being in capital grants to the metropolitan areas. Reductions were also made during the second special session and were spread through the division budget so that local transit services were not hurt excessively.

Those divisions that rely heavily on user fees for their revenues, such as the Highway and Aeronautics divisions, have also been hurt by the economy. Gas tax receipts have not grown for the past several years. People are driving less and are using more fuel-efficient cars. Weight-mile tax receipts have actually declined slightly since 1979, reflecting less freight movement over the highways. Due in part to its small size and also to the sensitivity of its revenues to the general economy, the Aeronautics Division has been particularly hard hit. The division is now operating at approximately 65 percent of the level of the budget approved by the 1981 Legislature.

The Motor Vehicles Division has been able to absorb workload increases with minimal changes in service through systems improvements and the application of computer technology.

Some other effects have been felt as well. The defeat of the gas tax increase by the voters in May 1982 was certainly a reflection of the economic situation. The defeat was close, however, and we were encouraged by the 49 percent who voted "Yes."

On the positive side, we have been able to avoid major layoffs through careful manpower planning. We have also been forced to look at ways to make our operations more self-supporting. We have been forced to carefully examine our priorities and grapple with some tough decisions. This has been healthy for the organization, and we feel very good about the strength of the organization as a result of this process.

Have the department's programs been beneficial to Oregon's economy during this depressed period?

Yes, I think so. In the first place, a good transportation system is essential in order for economic development to take place.

We have taken a balanced approach between urban and rural needs in carrying out our highway, aeronautics, transit and other programs. Each of these programs has done a great deal to upgrade the infrastructure in many of the rural areas of the state which have experienced the worst effects of the current recession.

Our highway construction program, limited as it is, creates badly needed jobs and reduces transportation costs for employees and the movement of freight.

Our Rail Assistance Program, which is not widely known, has been particularly responsive to some of the most economically depressed communities of the state. The program operates with funds from the Federal Railroad Administration. Over the past three years, we have directly assisted in upgrading branch rail lines in the Port of Tillamook and the cities of Willamina, Grand Ronde, Union and Prineville. Each of these lines is very important to the economic well-being of these communities.

In cooperation with the Public Utility Commission, the department frequently takes part in the regulatory process, such as Essential Air Service hearings, and coordination between affected communities and the Civil Aeronautics Board. With deregulation, we have seen a number of changes in service provided to Oregon communities. We are well aware of the importance of scheduled air service to the economic health of local communities around the state, and we have worked closely with business and community leaders to gather information on the economic impact of scheduled air service.

Our state parks contribute to the state's economy in several ways. First, the parks make a substantial contribution to the economy of the surrounding communities. A study conducted in May 1982 found that Oregon state parks attract visitors who contribute about \$100 million annually to the coastal economy. Secondly, state parks are an integral part of Oregon's livability. When we market the state to retain existing businesses and to attract new industry, the quality of life we enjoy here is a key selling point.

ODOT's tourism program has also been an important factor in Oregon's economy. Tourism is generally recognized as the state's third largest industry, behind timber and agriculture. For many rural areas of the state, tourism is the most vital part of the local economy. The state's tourism program's primary goal is to increase out-of-state visitor expenditures and studies have indicated that the program is working well. Research on over 3,500 respondents to the Spring 1981 advertising campaign, for example, revealed a return of \$20 to the state's economy for every \$1 spent on advertising. The program may be transferred to the Department of Economic Development next biennium, depending on legislative approval of the Governor's request.

What are the most important things you hope to accomplish as Director?

To begin with we want to do well during the legislative session. Most of the issues are funding-oriented. We are trying to continue the quality of service we provide, and to do that means we are going to need more funding for a number of different programs.

Beyond this, my own goals for the department relate primarily to management. I recently introduced five different kinds of objectives that deal with improving productivity of department personnel--preparing personnel to meet management needs. The first goal is strengthening the department by improving communication and cooperation between our various agencies and divisions. Second is Affirmative Action. We must make significant progress in this area in order to comply with state and federal laws and avoid having our hiring and promotional policies dictated from outside the department. Most importantly, I think Affirmative Action is indicative of how an organization treats people generally, and it has long-term implications for equity and productivity.

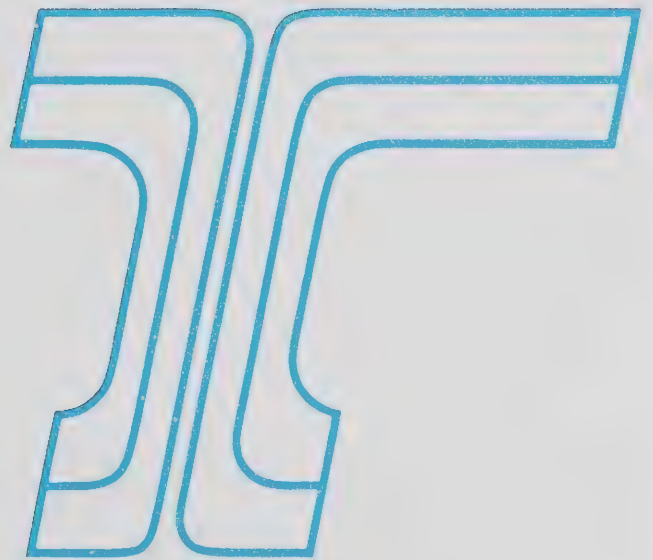
A third goal is to improve our training programs. We have a good program already, but we need to keep working so that we adequately prepare our future managers, and to help all employees reach their full potential within the department.

As a fourth objective I have placed increased emphasis on employee evaluations. It is important for supervisors to regularly sit down with employees, be they managers or maintenance workers, and seriously discuss goals, performance, and development needs. In fact, it is essential in order to accomplish the first three objectives.

My final goal is application of technology. The computer age is bringing with it some real opportunities to improve communication, speed up or reduce a lot of paperwork and improve productivity. I want to see us in a position to take full advantage of technological advances wherever they can improve our performance.

Considering both funding needs and management objectives, it all boils down to providing quality service. I want to see the Department of Transportation recognized as a well managed organization that can continue to provide the quality transportation and recreational services that Oregonians have come to expect.

Strategies for the 80's



PRESERVE

Investment and Service

Aging of the state's transportation and recreation facilities, coupled with declining revenues, has forced the department to place major emphasis on preservation of existing facilities and services.

Deteriorating roads continue to be a problem in spite of temporary gains against pavement deterioration made in the last two years. In urban areas, many highways already have reached capacity.

The number, size and location of Motor Vehicles Division offices will soon place limits on the division's ability to maintain an adequate level of service.

Day-use facilities at state parks in the Willamette Valley and along the Coast are becoming more crowded, while funds for rehabilitation of these and other park facilities are severely limited. Recently, concern has also been expressed about overuse of certain scenic rivers.

In 1979, energy shortages again spotlighted the need for additional buses and transit facilities.

Deterioration and continued maintenance of airports has become an important problem. In addition, use of some state-owned airports is now constrained because of limited aircraft tiedowns, hangars and parking.

Four railroads in Oregon have been financially assisted through the department's Rail Assistance Program to make track improvements to maintain service.

Solutions to these problems will require increased capital investment and operating expenditures, along with continued emphasis on preservation and rehabilitation activities. Financial constraints, however, severely limit the ability of the department to finance needed improvements, while giving priority to maintenance and preservation of existing facilities and services.



IMPROVE

Efficiency, Services and Facilities

Due to limited financial resources, we will see few major facility improvements in the future. Future improvements will be more limited in scope and focused on operations, safety, and productivity.

Major highway improvements will be primarily confined to completion of the Interstate System and the Banfield project. Other improvements to the primary and secondary highway systems will be lower cost and will focus on critical safety and service problems.

Parks improvements will be relatively low priority compared with operations, maintenance and rehabilitation of existing park and recreation sites. Any new development will be limited to park lands currently under the division's jurisdiction, with emphasis on essential park facilities and day use facilities.

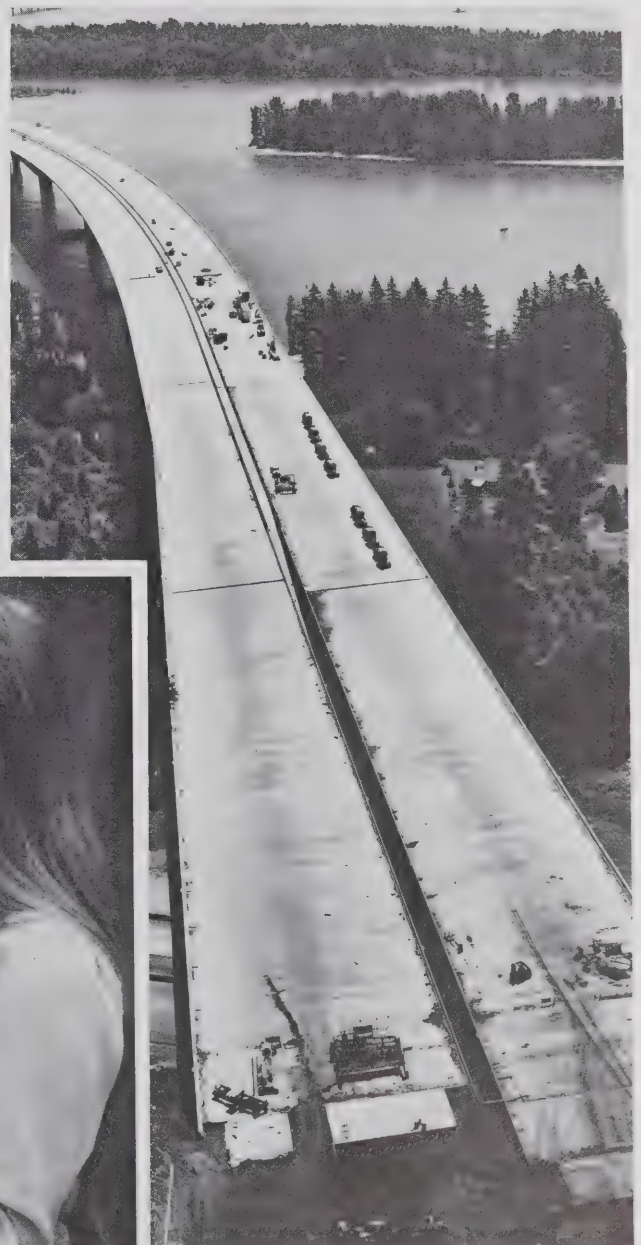
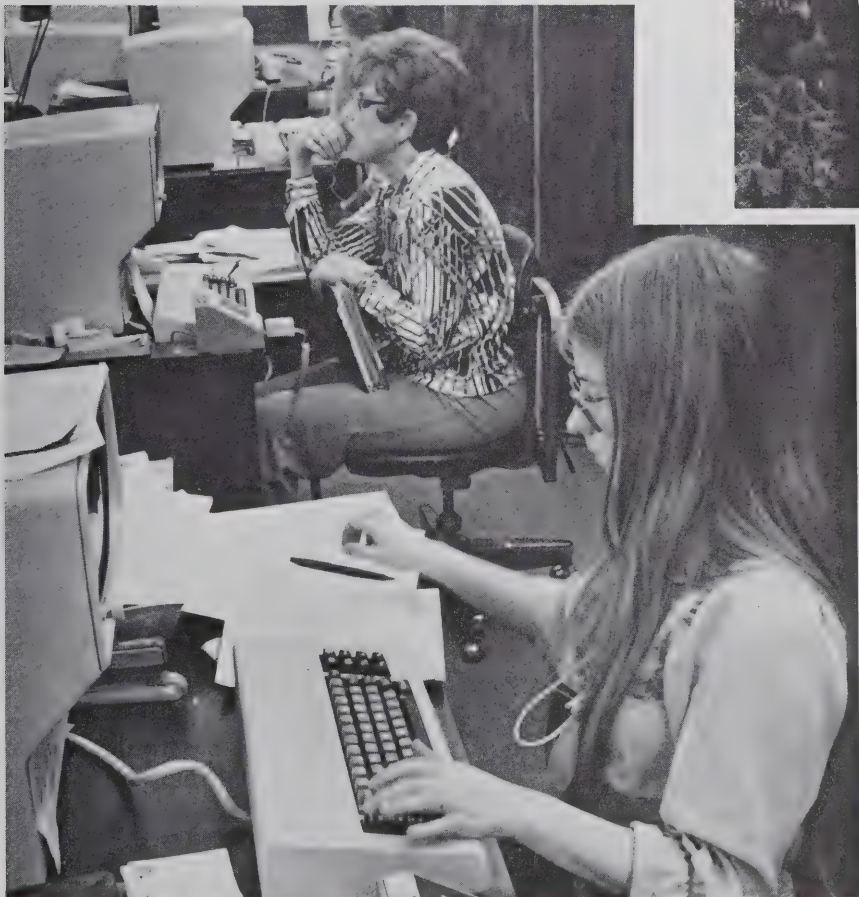
While the Public Transit Division will be prepared to assist new districts in the future, emphasis will be placed on improving the service and ridership on existing small city and rural systems.



The Aeronautics Division will be focusing future improvements on airports which are part of the National Airport System. Funding will go to pavement improvement projects, structures, and safety features.

Motor Vehicles Division will be focusing improvement efforts in the areas of productivity, facilities and program quality. The division is committed to a 1 percent per year increase in productivity through the application of improved technology and more efficient procedures. Responding to greater business volume and state population growth, the division will be opening new field offices, relocating and upgrading others which do not meet parking, floor space and accessibility standards. Technological improvements are planned to upgrade the quality of driver licensing, registration, and driver safety programs.

All areas of the department will benefit from the use of new data processing and communication technology. Examples include the new computer terminals in all motor vehicle field offices, a unified data base management system for the department, expanded use of the existing microwave system and improved word processing.



ASSIST

Local Government

Providing financial and technical assistance to local jurisdictions will continue to be one of the basic roles of the department.

The Highway Division administers various financial assistance programs which benefit local jurisdictions. The principal programs include the Federal Aid Urban (FAU), Federal Aid Secondary-County (FAS-C), Special City Allotment (SCA), Highway Bridge Replacement (HBR), and Bikeway/Footpath Funding. In 1982, Oregon received approximately \$7.8 million in FAU funds from the federal government to be made available for road projects in urban areas. The FAS-C funds will provide approximately \$3.4 million for county projects on the secondary system.

The SCA reserves \$250,000 of state highway funds for street projects in cities under 5,000 population.

Approximately \$6.7 billion was made available by the federal government in 1982 for bridge replacement and rehabilitation projects, many of which are on county roads. Between 15 and 35 percent of these funds must be spent off the federal aid system. Additional funds are earmarked for large projects such as the Center Street Bridge in Salem (\$14.6 million).

On a limited basis, 1 percent of Bikeway-Footpath funds are also made available to cities and counties with a 20 percent local match requirement.

Technical assistance provided by the Highway Division is extensive. The division has been an active participant in the transportation planning programs of the metropolitan areas. Smaller cities have received assistance as well in the form of origin-destination studies, traffic forecasts and other research. Other services including mapping and engineering have been available to cities and counties.



For the past 18 years, the Parks Division has been involved in grant-in-aid programs for local governments. Specifically, the division has been responsible for administering the Federal Land and Water Conservation Fund program, the Willamette and Bear Creek Greenway programs and the State Grant-In-Aid program. In recent years, however, these programs have been decreasing due to federal cutbacks and increasing pressures on the State General Fund.

The Aeronautics Division has both financial and technical resources available to local communities. The Financial Aid to Municipalities program provides for grants of up to 50 percent of the local sponsor's share of a federally funded planning or improvement project at a municipally-owned airport. The division may also grant up to 50 percent of an airport planning or improvement project in which only the division and the sponsor participate financially. The division intends to continue this program to the extent that adequate revenues are obtained to fund it.

The Aeronautics Division also carries out programs of technical assistance and advice to municipalities on airport planning and development. Specific assistance is provided through the Comprehensive Planning Coordination Program. Considerable emphasis has been given to the elimination of land use conflicts around airports.

The primary role of the Public Transit Division has been the provision of technical and financial assistance to local transit systems. Capital grant assistance has been used to meet 50 percent of the local match requirement for federal grants to urbanized areas (over 50,000 population). The Small City and Rural Transit Assistance Program addresses both operating and capital needs through grants to local governments which provide public transportation services in non-urbanized (under 50,000 population) areas. Other programs, such as Elderly and Handicapped Transit Assistance, and the Signs and Shelters Program, have also aided local communities.

A particularly significant transit project requiring federal, state and local funds is the Banfield Light Rail Project serving the Portland metropolitan area. The project will provide a modern, efficient transportation system between Gresham and downtown Portland. The project involves both improving the existing Banfield Freeway, and constructing a totally new light rail transit line. Tri-Met and ODOT are jointly managing the project which is due to be completed in 1986 at a cost of \$309.7 million.

LOCAL GOVERNMENT ASSISTANCE
1981-1983

HIGHWAY

Interstate Transfer Funds		
Federal Funds	\$ 99,930,000	
State Funds	12,260,000	\$112,190,000
Federal Aid Urban		
Federal Funds	8,740,000	
State Funds	621,000	9,361,000
Federal Aid Secondary-County		
Federal Funds	7,920,000	
State Funds	543,000	8,463,000
Highway Bridge Replacement (Federal)		5,964,000
Bikeway/Footpath Funding		66,000

AERONAUTICS

Financial Aid to Municipalities (State)		150,000
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PUBLIC TRANSIT

Banfield Light Rail Transit Fund (State)		12,780,000
Urbanized Area Transit Assistance (State)		1,592,000
Small City and Rural Transit Assistance		
Federal Funds	1,829,129	
State Funds	546,437	2,376,000
Elderly and Handicapped Transit Assistance (Federal)		465,000

PARKS AND RECREATION

Federal Land & Water Conservation Fund		6,696,000
State Grant-In-Aid Program (Parks)		130,000

GRAND TOTAL

\$160,233,000

SERVE

The People of Oregon

The Department of Transportation takes pride in the quality of services it provides to the public. In an era of budget cutbacks and aging facilities, the department views its commitment to quality service as a major challenge.

Since the state parks system was established in the late 1920's, only the highest level of maintenance has been acceptable. Park users have agreed with this philosophy. This insistence on quality service is why citizens regard the system so highly.

The Motor Vehicles Division could not operate without a "service" philosophy. Division management is committed to customer satisfaction, and this means continually trying to find ways to do a better job in serving the public. This is accomplished through internal management studies and ongoing customer surveys.

The new DMV office in Clackamas Town Center is a good example of improved service. The office offers fast service and is open evenings as well as Saturdays. Customer acceptance has been overwhelmingly favorable.



When we think of service to the public, the Highway Division certainly stands out. The commitment to preserving and maintaining the highway system in a safe, operational condition is highly valued by the motoring public. Improvements are continually being made to upgrade the service provided by existing roads. Examples are climbing lanes, signalization and widening projects. Many services provided by the Highway Division are recognized by the public as basic to the mission of the division. Examples in the maintenance area include snow removal on mountain passes, repair of damage caused by winter storms and keeping the highways clean and drivable.

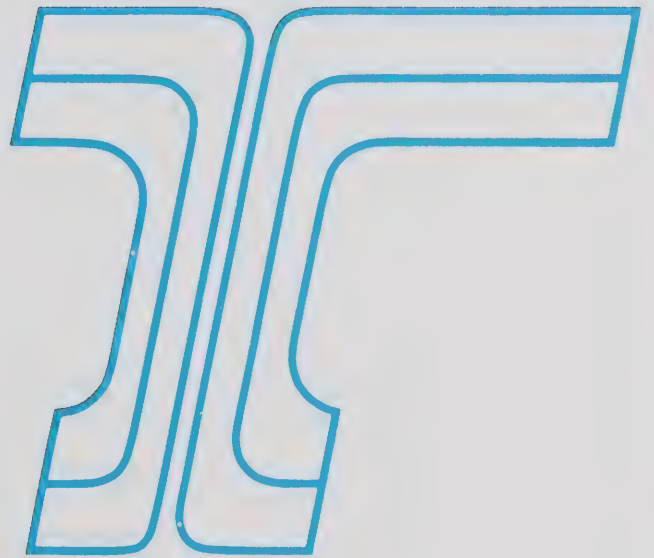
The Travel Information Section provides a much appreciated service to the public. In addition to its travel marketing efforts, the office answers inquiries about tourist attractions, accommodations, events and routes in the state. Informational literature available from the Salem office and six other visitor centers located at points of entry to Oregon is distributed to the public. In 1981, the centers assisted more than 225,000 tourists.

Service to the public is a key focus of the Aeronautics Division programs. This commitment is reflected in the search and rescue program for lost aircraft or persons as well as the educational programs, safety and hazard elimination activities.

These programs are considered essential and the department is committed to maintaining quality services.



Division Review



AERONAUTICS

The Aeronautics Division maintains and operates state airports, assists local jurisdictions in airport planning and development, conducts the state's air search and rescue program and plans for and promotes aviation generally.

The original Oregon State Board of Aeronautics was created in 1921 and was the first governmental aviation agency in the U.S. No federal aviation agency existed at that time. The Oregon agency was formed primarily to test the competency of airmen and the air worthiness of aircraft.

Later, the Federal Aviation Administration (FAA) was organized and took over those functions.

Today the Aeronautics Division concentrates on the development of airports, the state aviation system, and education of the aviation public.

Long-range plans call for the planning and development of aviation in the state to be carried out as an integrated process with other modes of transportation, recognizing the need for both private and commercial transportation of people and goods.



ORGANIZATION

The Aeronautics Division has 20 budgeted positions and a biennium budget of approximately \$3.6 million.

The division organizes its activities into four program areas.

OPERATIONS include administration, approval of flight schools, airport site investigation and approval, airport inspection and licensing, investigation of hazards to air navigation, aviation safety, technical assistance, aviation education, aviation planning, management and operation of 37 state-owned airports, air transportation services and aircraft registration. Operations activities may be summarized as those things necessary to promote and maintain an efficient and safe system of airports and aviation activities in the state.

The AIR SEARCH and RESCUE program has the goal *"to maintain, supervise and coordinate an Air Search and Rescue organization to minimize human suffering and loss of life as a result of lost aircraft or persons."* The program pays the administrative cost of registering pilots, and the cost of fuel and oil for aircraft, and insurance for persons involved in searches. The activity is funded entirely from pilot registration fees dedicated to that purpose.

Through its FINANCIAL AID TO MUNICIPALITIES the division provides part of the local match requirements for federally funded projects at publicly-owned airports.

CAPITAL IMPROVEMENT and CONSTRUCTION projects at state-owned airports are intended to help *"provide an adequate system of facilities to fulfill the requirements for community and land access and for emergency use as delineated in the Oregon Aviation System Plan."* Many of the construction projects on these airports are eligible for 90 percent federal funding under the Airport Improvement Program.

CURRENT POSITION

The current economic recession in Oregon and the nation has had a devastating impact on the Aeronautics Division. State financing for the division comes entirely from aviation user fees which depend in turn on the level of aviation activity. The decline in aviation activity that has accompanied the economic downturn has reduced Aeronautics Division revenue for two years in a row. The division is now operating at approximately 65 percent of the level of the budget approved by the 1981 Legislature, and staff positions have been reduced to 16 from the 20 positions authorized by the Legislature.

A recent financial study, completed as part of the Aviation System Plan, estimated that even when the economy recovers from the current recession revenue will not increase to the level needed to support the future budgeted level of division operations. During the 1981 legislative session, increases in state aviation taxes were proposed as a means of increasing Financial Aid to Municipalities, improvements to state-owned airports, and to meet other needs of the agency. Those measures were defeated and the need now is even more critical. Future increases will be necessary both to aid municipal airports and to continue needed state programs.

As a result of revenue shortfalls, maintenance of state-owned airports has been reduced to only those items necessary to maintain their safe use. The operations program has been reduced generally, and capital improvements and construction have been drastically reduced.

FUTURE DIRECTIONS

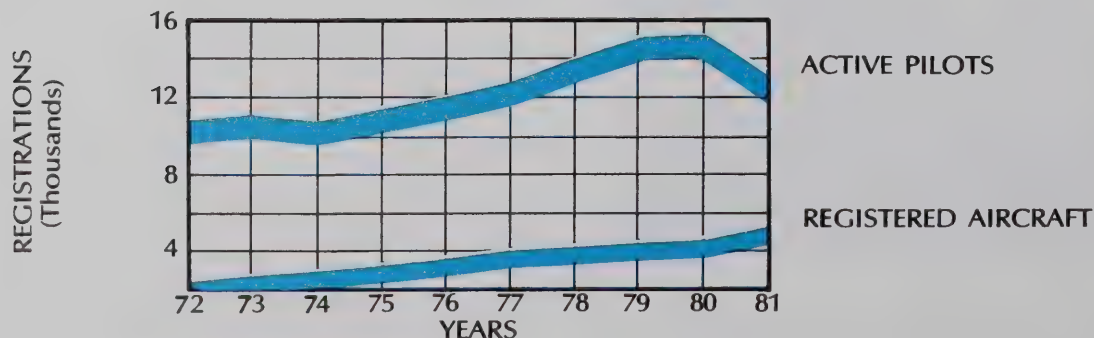
The recently completed Aviation System Plan identified \$129 million of projects needed at Oregon airports other than Portland International. Funding of these projects will require a combination of local, state and federal resources. The division needs to stabilize its revenue base in order to be able to participate in these projects under the new Airport Improvement Program of the recently passed federal Airport and Airways Act of 1982. This Act authorizes expenditures of \$4.8 billion for airport improvements in the United States over a six-year period.

The Aeronautics Division will also be working with the FAA to solve potential safety problems. One of those problems is the loss of control towers at certain airports, and the delay in obtaining needed towers at other busy airports.

A second potential safety problem is the proliferation of tall radio, microwave and television towers and other obstructions near airports. The division was successful in developing land use guidelines for use around airports and, under 1981 legislation, hopes to be successful in influencing the future location and/or marking and lighting of obstructions as well.

The Aeronautics Division is also maintaining a close watch on the restructuring of the air carrier industry and commuter air operations which are changing as a result of deregulation and the economy, with the goal of ensuring that the state continues to receive essential air service.

PILOT AND AIRCRAFT REGISTRATION IN OREGON



HIGHWAY

The Highway Division is responsible for the construction, improvement, maintenance, and operation of the State Highway System.

The history of Oregon's highway program is one of early leadership and accomplishment. The Legislature created a Highway Commission in 1913 and a system of 2,900 miles of highways was authorized. Oregon was the first state to adopt a gasoline tax as a source of revenue for highway purposes. The initial rate, authorized in 1919, was 1-cent per gallon.

Highway construction progressed rapidly in the early years. A major achievement in 1923 was the completion of the Pacific Highway, making Oregon the first state west of the Mississippi to construct a paved highway from border to border.

Another important date in the development of Oregon's highway system was 1956 when Congress authorized the Interstate Highway System. Today, the system is nearly complete in Oregon. Only one major section remains to be constructed, I-82, near Hermiston.

The total highway and road network in Oregon now totals 123,393 miles. The State Highway System, under the jurisdiction of the Highway Division, totals 7,562 miles. The remainder are county roads (29,000+ miles), city streets not in the State Highway System (7,391 miles), and 79,436 miles consisting of forest development roads, land management roads and other public roads controlled by local government or federal agencies.

ORGANIZATION

The Highway Division is administered by the State Highway Engineer. There are three branches, each headed by an Assistant State Highway Engineer: Administration, Operations, and Technical Services. There are five region offices, supervised by region engineers, and 16 district offices, headed by district maintenance supervisors.

The basic source of financing the highway program is the State Highway Fund. Income to

the fund is derived from two sources: dedicated state user taxes, and federal highway trust funds. Dedicated state funds include taxes on gasoline and diesel fuel, licensing of motor vehicles and operators, motor carrier fees on commercial vehicles, and revenue from the sale of highway bonds.

CHANGES IN ROADWAY CONDITION MILES PERCENT OF TOTAL STATE SYSTEM IN EACH CONDITION

1980		1982	
9%	VERY GOOD	9%	} 200 MILE DECREASE
18%	GOOD	15%	
27%	FAIR	29%	
38%	POOR	37%	} 130 MILE INCREASE
8%	VERY POOR	10%	
100%		100%	



CURRENT POSITION

With the basic highway system essentially complete, the major task of the Highway Division now is to preserve and maintain the system. In addition as the state begins to recover from its economic downturn, there will be a need to address some of the more severe congestion problems.

Roughly half of the total highway system requires some major preservation work. The overall condition of the system is deteriorating. Between 1980 and 1982 more roads deteriorated than were improved. There are 200 fewer miles that are classified as being in "good" condition and more than 130 miles slipped into the "very poor" category. As a roadway slips into the poorer categories, the costs to correct the damage increase rapidly.

The Transportation Commission is addressing the deterioration of the system by giving priority to preservation and maintenance activities rather than new construction. The Commission has set a guideline that 75 percent of the construction projects will be dedicated to preservation type projects. This policy is becoming increasingly important as the roads deteriorate at an accelerated pace and revenues fail to keep up with inflation.

The citizens of the state addressed this problem by approving a constitutional amendment that limits the use of highway funds to highway purposes only. The 1981 Legislature approved a one-cent gas tax increase and commensurate increase in the weight-mile tax on trucks and buses to help combat the erosion brought about by inflation.



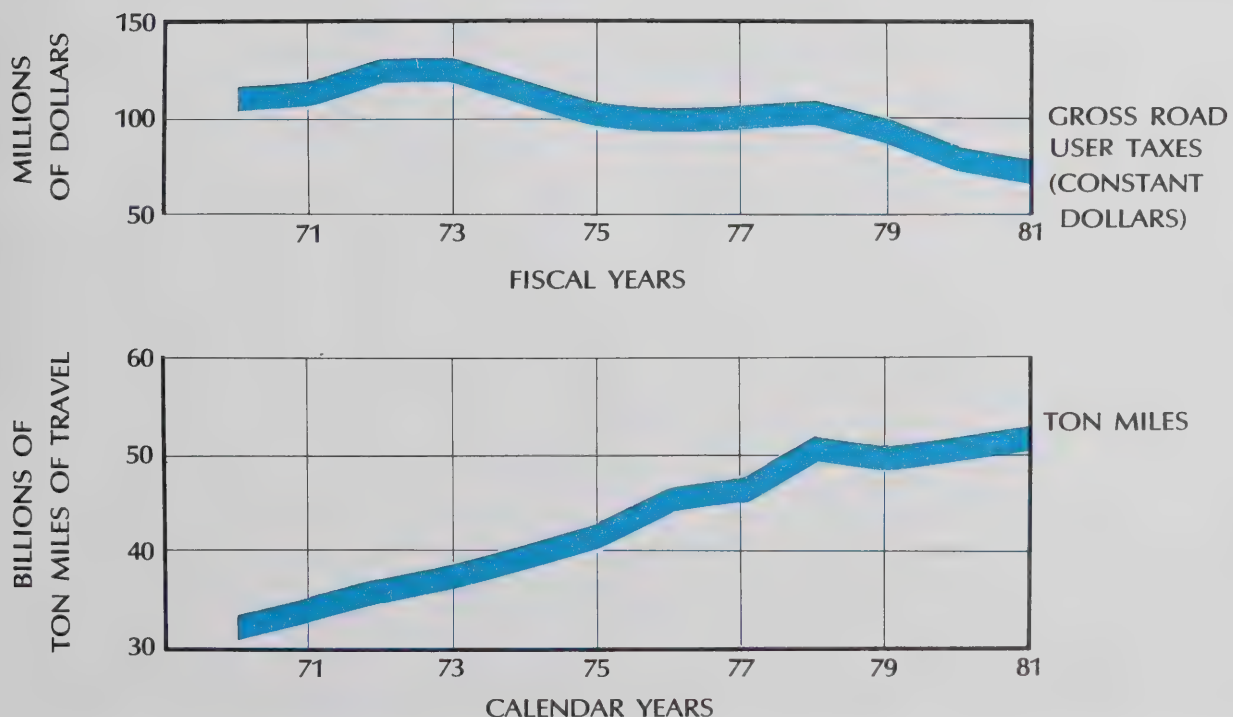
FUTURE DIRECTIONS

Carrying out a balanced highway program—one which recognizes preservation and maintenance of existing facilities as well as timely construction and reconstruction—is going to become increasingly difficult. Priority will continue to be given to preservation and maintenance. Over the long term, however, other facets of the highway program must be addressed.

Additional federal resources will become available. On December 23, 1982, the federal five-cent a gallon fuel tax increase was approved by Congress. This legislation will help stabilize deterioration of our interstate and primary highway systems. The additional revenue will allow the advancement of projects currently scheduled for the latter years of the Six-Year Highway Program.

But, this 60 percent increase in federal funds received by Oregon will require the people of Oregon to raise additional state revenue. It is absolutely necessary to provide an increase in our state gas tax to carry out an adequate maintenance program, necessary preservation program, and match federal funds available to Oregon.

GROSS ROAD USER TAXES AND TON MILES



MOTOR VEHICLES

The Motor Vehicles Division licenses drivers, registers and titles vehicles, licenses certain automobile-related businesses, enforces auto insurance requirements, approves safety equipment, compiles accident data, and collects most of the revenue for highway-related programs in Oregon. The goals of the division are to:

- Protect ownership rights in motor vehicles and identify those vehicles for highway use.
- Prevent accidents and convictions involving drivers who lack the knowledge, skill, physical or mental ability to operate a motor vehicle.
- Reduce public losses due to uninsured motor vehicle accidents.
- Collect monies for the Highway Trust Fund, Motor Vehicle Accident Fund, Student Driver Education Fund, and for other dedicated purposes.

ORGANIZATION

The Motor Vehicles Division has four major subdivisions:

ADMINISTRATION provides the division with accounting, purchasing, personnel management, public affairs, rules and hearings, planning services, and Motor Vehicle Accident Fund administration.

The DRIVER SERVICES BRANCH administers the driver licensing, driver safety and control, and mandatory auto insurance programs.

The VEHICLE SERVICES BRANCH administers the vehicle registration and titling program, and the vehicle-related business licensing program.

The FUELS TAX BRANCH collects motor vehicle and aircraft fuels taxes.



CURRENT POSITION

The 1979-81 and 1981-83 bienniums have been characterized by progressive analysis and planning concerning many of the division's diverse programs. The purpose of these efforts has been to maintain the commitment to increase productivity and to improve service to the public. Following are some of the more significant results of the analysis and planning:

1. The Division has identified several significant problems with the existing driver license issuance system which have resulted in the issuance of licenses to ineligible drivers and costly clerical errors. To solve these problems, the division has designed a new system that will place computer terminals in all of the division's field offices. The system will be installed during FY 1985.

2. In fiscal year 1982, the division created an Administrative Services Branch, within Administration, pulling together the division's support services under one manager.

3. The division has established an on-going cost-of-service analysis for better structuring of fees for services.

4. A customer survey initiated in August 1982 is being used on an on-going basis to obtain feedback about service and ways to improve operations.

5. The Driver Services Branch completed a comprehensive systems improvement study in 1981. Many study recommendations have already been implemented, increasing productivity and reducing errors. Other recommendations will be implemented in the coming years.

6. Automated testing devices for giving driver knowledge tests have been included in most of the field offices. These devices save employee time, eliminate grading errors and provide teaching capability.

7. New offices were opened in Canyonville, Reedsport, Gold Beach, and Cave Junction to reduce the number of miles driven by customers living in these communities. In addition, a new fast service office was opened in Clackamas Town Center.



FUTURE DIRECTIONS

The division's strategy for the future will be to focus on five areas:

Productivity

Workload continues to grow, while tighter restrictions are placed on money and manpower. This situation suggests the need to increase productivity--to find ways to do more with less. The planned installation of computer terminals in all field offices will save \$1 million and reduce manpower requirements by at least 18 full-time equivalent positions. The objective for driver services programs is to reduce by 50 percent the additional manpower required to handle increased workload anticipated over the coming six-year period through automation.

Facilities

As the division's business volume grows and state population expands, existing offices will become increasingly unsuitable in terms of floor space, availability of parking, and location. The objective will be for all field offices to meet minimum standards in these areas by 1983 through remodeling or relocation.

Program Quality

There are a number of opportunities for the division to improve the quality of the driver licensing and registration records. The division also sees opportunities to improve driver safety through changes in driver testing and changes in the driver improvement program for problem drivers. Research and evaluation will ensure that program changes actually produce the desired impact on highway safety and driver control.

Financing

Six-year forecasts show a gap between costs of division services and revenue based on current user fees. Service programs, such as driver licensing and vehicle titling, are intended by the Transportation Commission to generate enough revenue to cover costs of administration. (Fuels tax and registration fee collection are revenue programs which produce revenue in excess of collection costs.) Forecasts indicate that the total cost of service programs will exceed user fees over the next six years if user fees are maintained at current levels. Consequently, the division is committed to keeping the service programs self-supporting. To accomplish this, revenues and costs will be reviewed once a year. Fees will be adjusted (administratively or by statute) as necessary.

Regulations

The division will work more closely with the private sector and other government organizations to reduce the cost of compliance with state law. The division will accomplish this through both statutory and ad hoc committees representing diverse business interests.

PARKS

The mission of the Parks Division is *"to protect and enhance for public enjoyment and education, sites and areas of outstanding natural, historic, and recreational value."*

The concept of a system of state parks dates from 1921, when the Legislature gave the Highway Commission (now the Transportation Commission) authority to acquire land beyond rights-of-way for scenic preservation. This early interest in acquisition and preservation was continued into the 1950's. During this time public interest in acquiring additional lands for state park purposes led to the development of a sizable and efficient network of parks that became the foundation for the present parks system.

During the 1950's and early 1960's, emphasis changed from land acquisition to development of picnic areas, campgrounds, and swimming beaches. During the 1960's, the division became the recipient of new federal programs: the Land and Water Conservation Act and the Historical Preservation Act, both of which served to expand the responsibilities of the division.

During the 1967 Legislature a movement to save Oregon's beaches and protect the Willamette River resulted in creation of the Willamette River Greenway and a law designating Oregon's ocean shores as public recreation areas. The Scenic Waterways Bill was added in 1969, and the Recreation Trails program in 1971.

The State Parks System now includes 229 parks, recreation areas, waysides and preserves. In addition, the division manages 75 Willamette River Greenway parcels; more than 500 miles of State Scenic Waterways; 1,662 miles of State Recreation Trails and numerous historical and archeological properties.



ORGANIZATION

The Parks and Recreation Division program is divided into seven functional activities:

ADMINISTRATION and PLANNING provides policy direction, exercises management control over all state park activities, and offers support services necessary for the day-to-day operations of the division.

MAINTENANCE and OPERATIONS of park lands and facilities are the fundamental activities of the Parks and Recreation Division. This function accounts for more than one-half of the division's budget. Duties encompass a variety of responsibilities, from actual maintenance of park facilities and grounds to visitors services such as the interpretive program, campsite reservations, local planning coordination, and rules enforcement.

A field organization, consisting of five regional offices and 30 district headquarters, is responsible for more than 200 permanent and 300 seasonal employees.

Maintenance and operations is considered the most important element of the parks program, and, in most cases, will be the last element to be reduced if revenue is inadequate to carry out the entire program.

REHABILITATION has been necessary due to changing use patterns, technological advance, and overuse of existing facilities. Whenever possible, the division rehabilitates structures, utilities and roads and trails rather than demolishing them and rebuilding new ones.

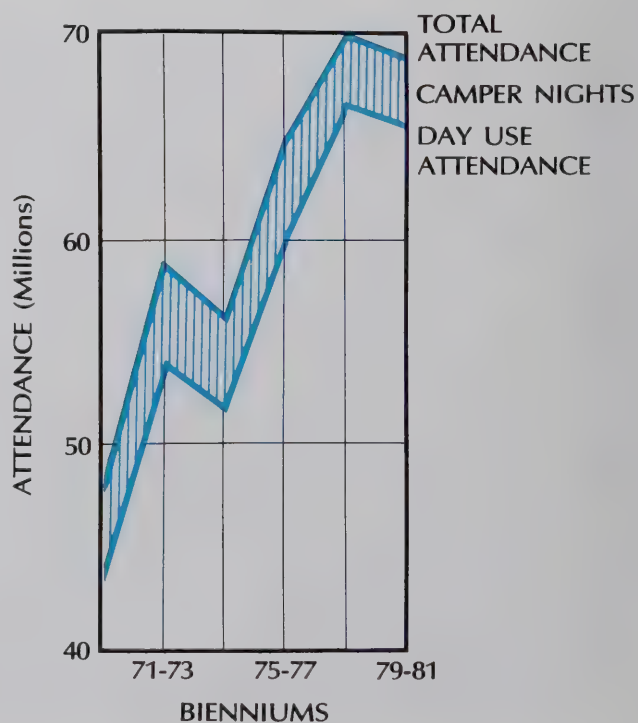
DEVELOPMENT of existing park lands is emphasized over acquisition. However, development is a relatively low priority compared to maintenance, operations and rehabilitation of existing park and recreation sites. Therefore, the function was eliminated entirely from recent budgets.

ACQUISITION has focused on scenic preservation, especially on designated scenic waterways; regional parks; the recreation trails system; historical structures and areas; park expansion; and the Willamette River Greenway. Any future major acquisitions will emphasize regional day-use areas. As with development, this activity is virtually eliminated in the 1981-83 and 1983-85 budgets.

SPECIAL PROGRAMS include Scenic Rivers, Recreation Trails, Historic Preservation and Ocean Shores. Only about 4 percent of the division's budget is targeted for these special programs.

LOCAL GOVERNMENT ASSISTANCE activity has several functions. One is to provide state and federal grant assistance to eligible outdoor recreation agencies. The program also includes consultation and technical assistance to local government.

STATE PARKS ATTENDANCE





CURRENT POSITION

The past three years have been especially significant for the division. The first major event was the approval by the voters of Ballot Measure No. 1 in June 1980, which, among other things, excluded State Parks from using the Highway Fund. The 1979-81 Parks budget included \$10 million in General Funds. This ended a 50-year reliance of the parks system on the State Highway Fund.

At this same time, Oregon entered its current economic recession. This has meant declining tax revenues. Current General Fund support is now down to \$7.2 million. Revenues from dedicated sources (RV fees, concessions, and park user fees) have not increased sufficiently to keep up with inflation.

The impact of the erosion of the division's financial base has been primarily on the acquisition, development and grant-in-aid programs. The development program has declined from approximately \$3.3 million authorized in 1979 to zero. The acquisition program has also been virtually eliminated. State funded grant-in-aid has dropped from \$600,000 to \$100,000. Rehabilitation has been reduced by more than half.

The division has been able to minimize the impact of budget shortfalls on the operation and maintenance of the parks system.

Another very significant development is the Reagan Administration's phasing out of the Land and Water Conservation Fund, the major source of federal aid for parks and recreation programs. Local governments in Oregon had been receiving approximately \$3 million in assistance per year. Only about \$2.3 million is anticipated for the entire next biennium and no funds after this period. In recent years, the Parks and Recreation Division has used some of these funds for Administration and Rehabilitation. The decline of these funds will reduce substantially the anticipated level of Rehabilitation for 1983-85.

FUTURE DIRECTIONS

The revenue shortfall will continue to be a major problem requiring the attention of the legislature and the department. In order to merely keep up with inflation, it has been estimated that the division will need an additional \$30 million in General Fund support over the next three bienniums. Alternatives are basically to cut back on service (i.e., close more parks) or raise other revenues. Some of these possibilities include establishing an annual day-use pass, increasing the recreational vehicle registration fee and increasing camping fees.

The bulk of projected division expenditures (nearly two-thirds) during the projected six-year program is allocated to the maintenance and operations program.

Rehabilitation will be maintained at the current level. No development is anticipated during the 1983-85 biennium and only minor acquisition along scenic waterways.



PUBLIC TRANSIT

The Public Transit Division serves as the statewide coordinating, financing, planning, research and development agency for public transportation services in Oregon.

The division was established in 1969. Initially, since the agency lacked the financial resources to carry out its full charge, the role of the agency was primarily coordination. Resulting from the increased need for public transportation, there has been growth in agency resources and services.

Except for experimental programs, the division has not operated transit services. Instead, it facilitates the flow of federal and state assistance to local transit operators, and provides technical assistance to enhance locally operated services. The division also promotes public transportation by providing a source of information to local operators, other state agencies and the general public.

Financial assistance has been available in four program areas:

The SMALL CITY AND RURAL TRANSIT ASSISTANCE program has used federal and state funds for both operating and capital needs through grants to local governments that provide transportation services in the non-urbanized (under 50,000 population) areas.

The URBANIZED AREA TRANSIT ASSISTANCE program has provided State General Fund grants to match capital purchases by the transit systems in the urbanized (over 50,000 population) areas in Oregon. These systems have been located in Portland, Salem and Eugene. The grants have been used to meet one-half of the local matching requirements for federal capital grants. Funds have been primarily used to purchase buses and related equipment.

The ELDERLY AND HANDICAPPED TRANSIT ASSISTANCE program has been available to private non-profit agencies that provide transportation to the elderly and handicapped in Oregon. Federal capital assistance grants are provided for the purchase of vans and related equipment. The "local match" is provided by the local agency.

The INTERCITY TRANSIT ASSISTANCE program has had two elements. The first provides grants to local governments to assist them in placing signs, and providing passenger shelters to make it more convenient for people to use intercity bus transportation. The second element was the Willamette Valley Express, a commuter rail service between Eugene and Portland. The project operated as a demonstration from August 3, 1980, until December 31, 1981, with special funding provided by the Legislature. The intercity program will probably not be funded during the 1983-85 biennium.



A fifth program area involves the Banfield Light-Rail Program in Portland. In 1979, the Legislature appropriated \$16.1 million from the General Fund for this project. This was intended to be a one-time appropriation. The Public Transit Division serves as the fiscal agent. Tri-Met and the Highway Division are actually involved in the construction of the project.

CURRENT SITUATION

Like most agencies of state government, the Public Transit Division has been faced with having to reduce its program to meet the state revenue shortfall experienced during the 1979-81 and 1981-83 bienniums. Fortunately, federal dollars have continued to be available and the division has made maximum use of this resource. Despite dwindling resources available to the division, all programs with the exception of intercity assistance, have been maintained. Further, although there has been a noticeable decline in the ability of the division to respond to requests from local transit providers, the division has continued to provide management and technical assistance to local transit providers.



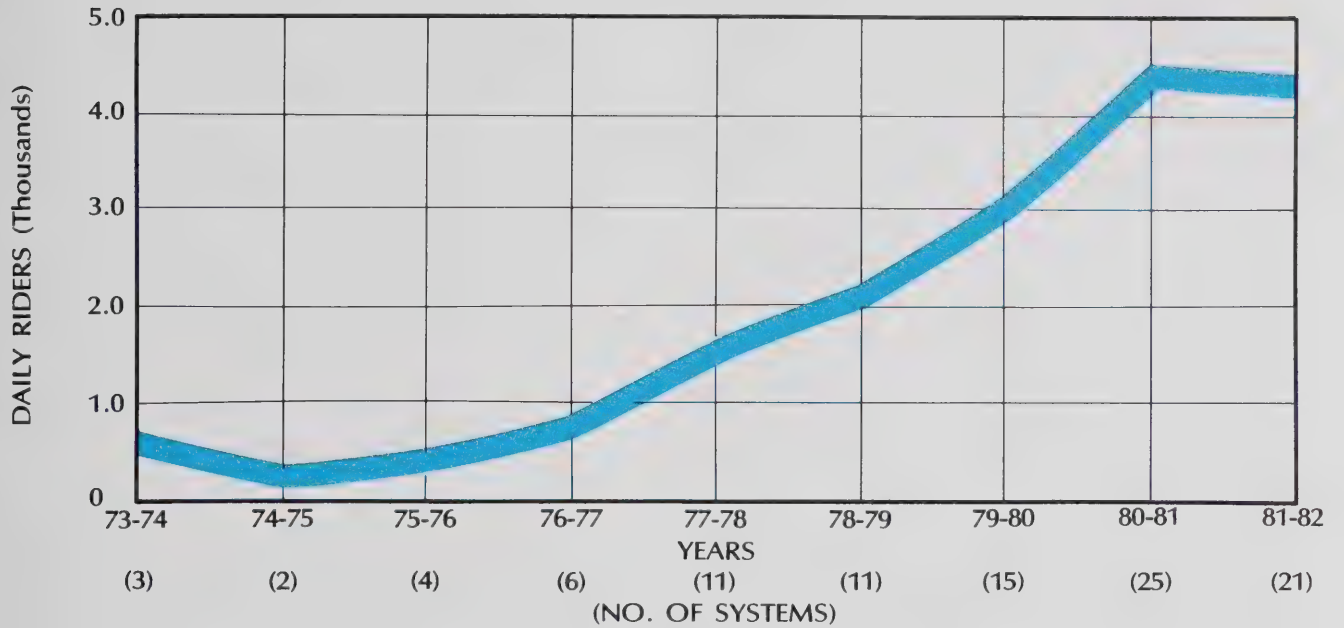
FUTURE DIRECTION

A Transit Plan was developed during 1982 to provide an overall assessment of the division's role, the longer term transit needs in Oregon, and a review of how funds are allocated among transit providers. The plan should provide a sound basis for making decisions about the longer term public transit program in Oregon.

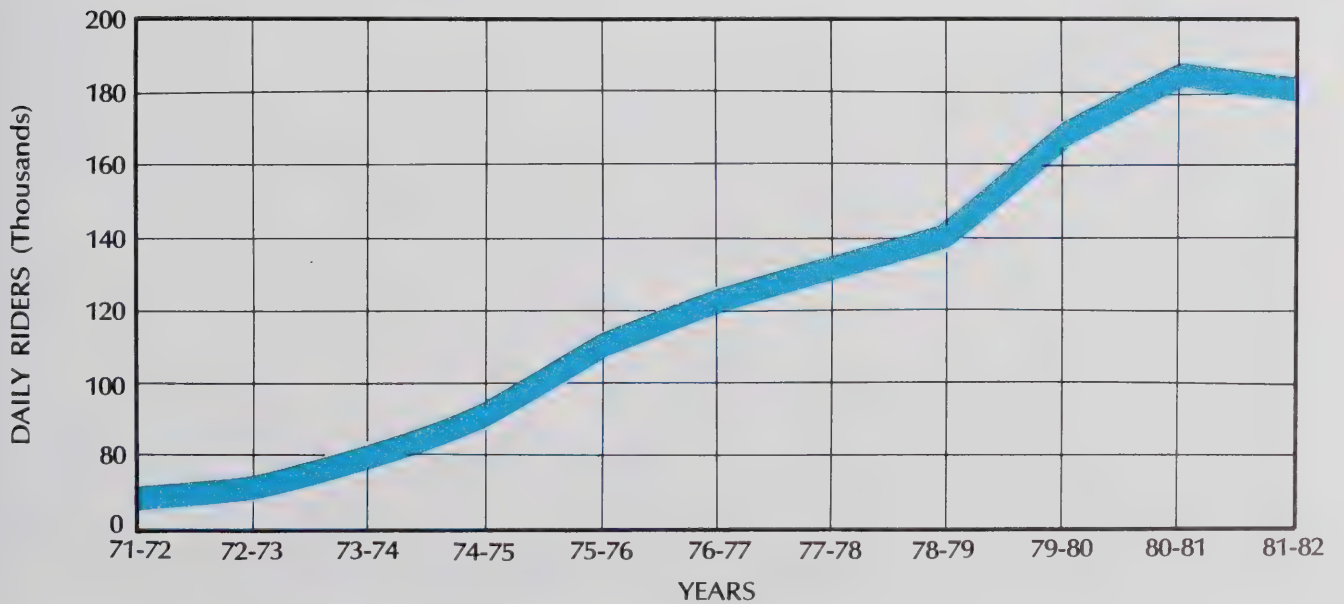
For the 1983-85 biennium, the division is committed to maintaining the current programs with the exception of the Intercity Assistance Program. No funds have been requested for this program. The department, will, however, be closely monitoring bus deregulation legislation at the federal level. The department is concerned about the impact such legislation may have on the smaller communities in the state.

Local transit systems will benefit from the recently approved 5-cent-a-gallon increase in the federal gas tax. One cent of this is earmarked for public transit capital construction and equipment purchases. Oregon will receive approximately \$14 million annually. Most of this assistance will go to urbanized areas over 200,000 population, but the state will have some flexibility in distributing funds to the smaller communities.

COMBINED DAILY TRANSIT RIDERSHIP SMALL CITY AND RURAL AREAS



COMBINED DAILY RIDERSHIP OF TRI-MET, LANE TRANSIT AND SALEM TRANSIT



TOURISM

The Travel Information Section's tourism promotion activities involve advertising Oregon as a tourist destination, and publishing literature designed to aid the state's economy through attracting and increasing out-of-state visitor expenditures.

Tourism is generally recognized as Oregon's third largest industry. In 1981, an estimated 12 million out-of-state vacationers spent about \$1.3 billion in the state.

The value of tourism was recognized by state officials in 1935 when the Highway Commission authorized creation of the Travel Information Section. By the 1960's it became apparent that tourism could bring millions of dollars into the state, if the department promoted Oregon as a vacation destination, not just a place to pass through on the way to or from California.

POLICIES

The following have been set as guidelines for the state's travel promotion activities by the Travel Advisory Committee.

- Promote Oregon destination travel selectively to out-of-state audiences that have a high level of expendable income.
- Increase the length-of-stay of visitors in Oregon.
- Extend Oregon destination travel activity into all four seasons of the year.
- Spread travel in Oregon to all potential destinations in the state.
- Encourage Oregonians to vacation in Oregon.



The Travel Information Section of the Oregon Department of Transportation is responsible for implementing these policies. The overall goal is to attract visitors to Oregon so the communities and private businesses can then market their own special attractions, services and facilities.

To help plan its marketing efforts, the Department of Transportation contracts with a private communications agency.

Advertising is the most visible of the Travel Information Section's activities and uses nearly half of the program's budget each biennium. Eye-catching ads in regional and national publications initially attract tens of thousands of vacationers to Oregon.

Ads are placed in magazines with readers who spend a large amount of time and money on pleasure travel each year. Magazine readers are invited to learn more about Oregon by responding to ads with a postage-paid reply card or by dialing a toll-free number that puts the reader in immediate contact with the Travel Information staff.

Whether the reader uses the reply card or the 800 number, each respondent is sent a comprehensive 80-page travel guide, "The Oregon Book". Research indicates that half of those who receive The Oregon Book before visiting the state lengthen their vacations in the state by an average of four days.

Oregon travel businesses, too, can participate in the state's cooperative promotions by purchasing small-space ads in conjunction with large, four-color state ads or by purchasing mailing lists of qualified vacation prospects who respond to Oregon travel ads. The mailing lists are available on an actual cost basis.

An important element of the unified promotion effort is travel packaging by Oregon's hotels, resorts, and attractions. The state's role is to help organize these efforts and publish a catalogue of commissionable package tours.

Besides direct contact with prospective visitors through magazine ads and the travel guide, press coverage of Oregon's attractions is promoted by the Travel Information Section.

News releases and feature stories are mailed to travel writers throughout the U.S. and foreign nations. A file of thousands of color and black and white photos is maintained for use by writers and editors. Writer tours are also arranged by the Department.

The Travel Information staff also produces an annual guide to Oregon events. This calendar of happenings is the state's major in-state promotion piece, and thousands of copies are distributed through chambers of commerce and visitor centers.

The Department of Transportation operates six visitor centers at points of entry to Oregon. The border centers, which are open during the summer tourist season, are staffed by trained travel counselors who provide a warm welcome and specific information about attractions and activities in the state.

Since 1978, the Travel Information Section has conducted thorough research studies of the results of advertising efforts. The research is invaluable in determining media selection for seasonal promotion campaigns and assessing the effectiveness of the overall marketing program.

CURRENT POSITION

In addition to the section's on-going advertising program, a special campaign using newspapers, television and radio was conducted using \$249,092 in funding appropriated by the January 1982 Special Legislative Session, as part of the Governor's Economic Recovery Program. The ad campaign, which was approved jointly by the department's Travel Advisory Committee and the Governor's Economic Recovery Task Force, attracted nearly 30,000 responses. The project was designed to have an impact on the 1982 travel season.

FUTURE DIRECTIONS

The Travel Information Section will continue to conduct a promotion program that features travel advertising and distribution of the state travel guide. Advertising will be selected in accordance with the program objectives and will feature cooperative projects with the private sector. Other functions will continue including distribution of travel news releases, feature articles and photos; travel trade marketing; limited foreign marketing; research; and operations of the existing six border centers.

With additional funding, the section would increase its tourism promotion efforts outside primary markets by advertising in new, potentially lucrative market areas. These areas include the eastern states, wealthy western Canadian provinces and other key foreign markets. Additional cooperative projects with the private sector would be developed. Additional promotion literature would be printed and distributed more widely. Other programs would be similarly expanded.

A seventh visitor center is needed on I-205 near the Portland International Airport interchange. The center would be constructed in cooperation with the Highway Division.

The collage displays several promotional items for Oregon tourism:

- Top Left:** A brochure titled "The great outdoors is still great in Oregon." featuring a circular logo with a mountain, river, and tree. Below it, text reads "... and you're invited to share it!" and "PHONE TOLL-FREE TODAY 1-800-547-7842".
- Top Center:** A "NATIONAL GEOGRAPHIC" brochure titled "TAKE OUR FREE ADVICE ON YOUR NEXT VACATION FROM THE PEOPLE OF OREGON" showing a group of people.
- Top Right:** A "NEW YORKER" brochure titled "TAKE OUR FREE ADVICE ON YOUR NEXT VACATION FROM THE PEOPLE OF OREGON" showing a group of people.
- Middle Right:** A "TRAVEL HOLIDAY" brochure titled "TAKE OUR FREE ADVICE ON YOUR NEXT VACATION FROM THE PEOPLE OF OREGON" showing a group of people.
- Bottom Left:** A "FIELD AND STREAM" booklet titled "Our Master Guide to Oregon will show you how to get lost." with a list of activities: Backpacking, Bicycle Touring, Camping, Canyoning, Fishing, Golfing, Hiking, Hunting, Kayaking, Motorboating, Photography, Skiing, Snowmobiling, and Telemark.
- Bottom Center:** A "SPORTS AFIELD" booklet titled "Oregon has packaged adventure Call for delivery:" with a list of activities: Backpacking, Bicycle Touring, Camping, Canyoning, Fishing, Golfing, Hiking, Hunting, Kayaking, Motorboating, Photography, Skiing, Snowmobiling, and Telemark.
- Bottom Right:** A "CALIFORNIA" booklet titled "The great outdoors is still great in Oregon." with a list of activities: Backpacking, Bicycle Touring, Camping, Canyoning, Fishing, Golfing, Hiking, Hunting, Kayaking, Motorboating, Photography, Skiing, Snowmobiling, and Telemark.

CENTRAL SERVICES

Central Services provides administrative support for all divisions, department-wide planning and policy development, internal and external communication, legislative liaison, tourism promotion and financial management.

ORGANIZATION

The ODOT Director is the chief administrative officer of the department. He has two assistant directors and a financial officer who report directly to him.

The ASSISTANT DIRECTOR FOR ADMINISTRATION is responsible for providing administrative support services for all divisions. Services include personnel, planning and policy development, word processing, library and administrative services.

The ASSISTANT DIRECTOR FOR INTER-GOVERNMENTAL AND PUBLIC AFFAIRS is responsible for internal and external communication, commission agendas, state legislative liaison, and tourism promotion.

The ODOT FISCAL OFFICER is responsible for financial management functions of revenue projections and cost analysis, budget preparation, internal auditing and accounting services.

CURRENT POSITION

Since 1979 the overall size of ODOT Central Services has been steadily reduced. In the 1977-79 biennium there were 273 full-time equivalent employees (FTE) in the Central Services Unit, compared to approximately 203 FTE today and a recommended level of 198 FTE for the next biennium. This reduction has been accomplished by returning functions to the divisions where appropriate, and by taking advantage of cost saving innovations in areas like word processing, data processing and other administrative services.

FUTURE DIRECTIONS

Little change is expected in the basic organization of Central Services in the near future. However, the continued desire to improve the efficiency of the department's operations will undoubtedly lead to adjustments within program areas as opportunities arise to reduce costs or improve administrative and support functions.



FINANCIAL REVIEW

Revenue and Expenditure Statements

DEPARTMENT SUMMARY

The activities of the Oregon Department of Transportation are financed from diverse sources. Approximately one-half of the department's expenditures are financed through federal funding programs, the largest of which is the

Federal Aid Highway Program. Other federal funds used by the department include Airport Improvement Program, Fatal Accident Reporting System, Land and Water Conservation Funds, Historic Preservation Act, Urban Mass Transit Act, and Local Rail Assistance Program.

OREGON DEPARTMENT OF TRANSPORTATION CONSOLIDATED REVENUE AND EXPENDITURE STATEMENT (\$1,000's)*

	1979-81 Actual	1981-83 Estimated	1983-85 Recommended
Beginning Balance	54,221	67,028	55,131
Revenue			
State General Funds	30,076	11,798	10,544
Department Revenue	366,948	387,018	340,751
Federal Funds	328,512	394,925	417,858 ⁴
Local Funds	11,927	22,601	30,597
Transfers In ¹	105,865	108,703	130,494
Transfers Out ¹	(120,719)	(129,688)	(129,143)
Available for Expenditure ¹	776,827	862,386	856,232
Expenditures ²			
Central Services	8,855	9,410	8,704 ³
Aeronautics Division	2,244	2,843	2,334
Highway Division	618,144	692,058	727,994 ⁴
Motor Vehicles Division	38,168	47,615	51,218
Parks & Recreation Division	35,622	36,628	34,155
Public Transit Division	6,767	18,697	14,949 ⁴
Total Expenditures	709,800	\$ 807,256	839,354
Ending Balance	67,028	55,131	16,879

*Totals may not add due to independent rounding.

¹Intra-agency transfers have been netted out.

²Totals shown are net of intra-agency service charges.

³Does not include Tourism Program.

⁴Does not include funds from increased federal fuel taxes.

The largest group of state funds are dedicated highway taxes, including highway fuel taxes, motor vehicle registration and licensing, motor carrier fees, and truck load violation fines. Other dedicated state revenues include aeronautics funds, park user fees and recreational vehicle fees, as well as many smaller funds such as the snowmobile account and highway beautification funds. Parks and Public Transit Divisions and the tourism program also rely on state general funds.

An additional source of funding is local, derived from city and county participation in highway and public transit programs. These funds often compensate the department for work performed for local jurisdictions.

Several important factors affected the level of revenues raised by the department during the past two years. Increases in highway fuel taxes and motor carrier fees improved the State Highway Fund. Increases in certain fees collected by the Motor Vehicles Division also allowed improved services and increased transfer of fuel taxes and vehicle registration fees to the Highway Fund. There were also increases in certain charges and fees of the Parks Division. During the January, 1982 special legislative session, a General Fund increase was granted to the tourism program as part of the Governor's Economic Recovery Program.

For the department as a whole, these revenue increases were more than offset by losses related to the recession. General funds to support the Parks and Public Transit programs were reduced by approximately \$350,000 as part of the Legislature's effort to balance the state's budget in the face of General Fund deficits. Parks, Aeronautics and Highway funds all fell below budgeted levels as well.

Overall, the department's expenditures for the 1981-83 biennium were \$34 million below budget; but increases in federal funding and decreases in ending balances allowed an increase over 1979-81 expenditures.

This situation, in which federal funds increase and state revenues decline will continue into the 1983-85 biennium. The recent increase in federal fuel taxes could increase Oregon's highway and transit revenue by over \$100 million more than indicated in the 1983-85 recommended budget. Increases in state revenue will depend on future legislative action.

AERONAUTICS DIVISION

Aeronautics Division programs are financed from dedicated aviation taxes and federal Airport Improvement Program funds. During the 1981-83 biennium, as a result of recession induced reductions in aviation activity, state aviation revenue fell 5 percent below 1979-81 levels and 35 percent below budgeted levels. Increases in federal funds kept overall expenditures above 1979-81 levels, but these funds were available only for Capital Improvement and Construction. The Aeronautics Operations budget declined.

Without proposed revenue increases, the Aeronautics Division budget will decline in the next biennium. A small increase in state revenue would not be sufficient to match available federal funds so that capital programs would decline significantly.

A \$1.4 million increase in aviation fuel taxes and aircraft and pilot registration fees has been proposed. This would allow restoration of Aeronautics Operations, significantly increased financial aid to municipalities, and allow the state to match federal funding for improvements to state-owned airports.

AERONAUTICS DIVISION REVENUE AND EXPENDITURE STATEMENT (\$1,000's)*

	1979-81 Actual	1981-83 Estimated	1983-85 Recommended
Beginning Balance	273	160	178
Revenue			
Aeronautics Division ¹	511	637	630
Federal Fund ²	345	1,217	576
Transfer of Aviation Gas & Jet Fuel Tax Revenue ³	1,297	1,079	1,168
Transfer to Central Services	(21)	(66)	(57)
Available for Expenditure	2,404	3,025	2,496
Expenditures			
Operations	1,713	1,633	1,889
Search and Rescue	47	67	63
Financial Aid to Municipalities	148	150	--
Capital Improvement	290	87	18
Capital Construction	46	911	364
Total Expenditures	2,244	2,848	2,334
Ending Balance	160	178	162

*Totals may not add due to independent rounding.

¹Aircraft and pilot registration fees, aircraft dealers licenses, air taxi services, airport leases, donations and miscellaneous.

²Federal Aviation Administration, Airport Improvement Program (formerly Airport Development Aid Program).

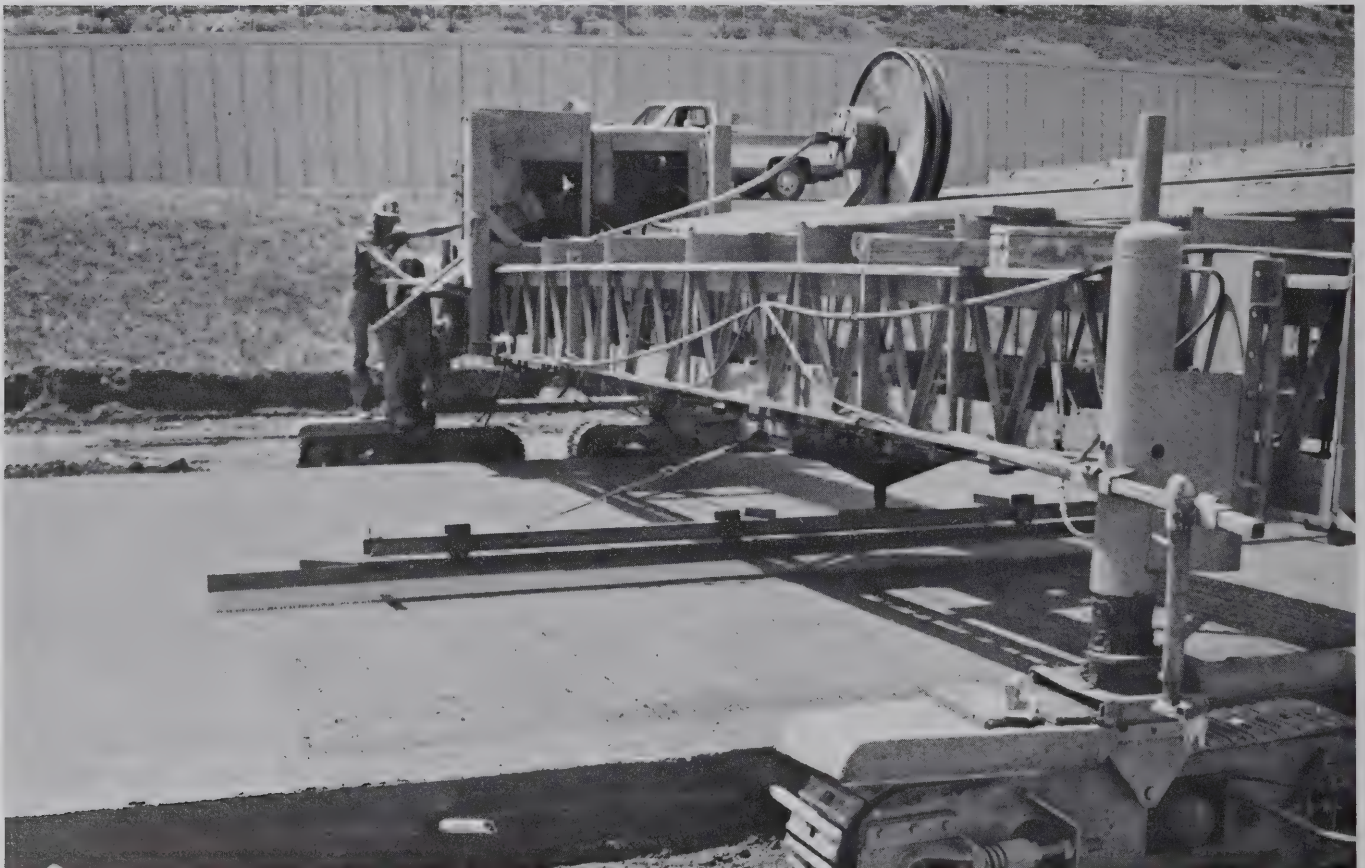
³Transferred from Motor Vehicles Division.

HIGHWAY DIVISION

The Highway Division is financed primarily from dedicated road user taxes, gas taxes, vehicle registrations and motor carrier fees, and from the federal highway fund. The division also collects \$25 to \$60 million per biennium in special revenue such as rentals, sales and interest income, has bonding authority and receives local cooperative funds for use in local federal-aid projects. A little over 32 percent of the road user taxes are transferred to cities and counties to assist local road programs.

In spite of a one-cent increase in the state's gas tax and proportional increase in the weight-mile tax, road user taxes available to the Highway Division did not grow in the 1981-83 biennium. Without those increases road use taxes would have declined by \$27 million. Increases in highway expenditures reflect increases in federal funds, increases in special revenue such as interest income and a reduction in balances. Recommended increases in the 1983-85 budget also require additional federal aid and further reductions in cash reserves.

The enhanced federal aid program to be financed by a 5-cent-per-gallon increase in the federal gas tax will increase the construction program beyond the recommended level shown in the revenue and expenditure statement.



HIGHWAY DIVISION
REVENUE AND EXPENDITURE STATEMENT
(\$1,000's)*

	1979-81 Actual	1981-83 Estimated	1983-85 Recommended
Beginning Balance	51,962	44,197	42,373
Revenue			
Highway Division ¹	41,294	58,837	24,752
Highway Bond Sales	15,009	--	--
Federal Aid	316,952	381,546	411,828 ⁹
Local Cooperative Funds ²	11,714	22,374	30,376
Transfers In			
From DMV ³	236,969	233,600	217,401
From Other State Agencies ⁴	105,685	108,703	130,389
Transfers Out			
To ODOT Agencies ⁵	(6,930)	(6,159)	(5,594)
To Cities and Counties	(110,315)	(108,667)	(111,520)
Available for Expenditures ⁶	662,340	734,431	740,005
Expenditures			
Construction	469,788	495,277	514,207 ⁹
Maintenance	135,669	165,187	178,555
Debt Service	11,944	13,896	27,659
General Programs and Adjustments ⁷	316	17,264	7,064
Travel Information	326	434	509
Total Expenditures ⁸	618,143	692,058	727,994
Ending Balance	44,197	42,373	12,012

*Totals may not add due to independent rounding.

¹Astoria Bridge tolls, overwidth permits, billboard fees, reimbursements, real property rentals, TIC logos, interest income, timber, equipment and real property sales and miscellaneous.

²Including city apportionment withheld.

³Highway fuel tax revenue, vehicle registration fees and other special purpose fees.

⁴Weight-mile taxes transferred from the Public Utility Commissioner and truck load violation fines transferred from the Department of Revenue.

⁵Central Services assessment and rest area maintenance agreement with Parks & Recreation Division.

⁶Does not include intra-agency service charges.

⁷Reimbursable work and net changes in intra-agency service funds.

⁸Materials testing and maintenance services financed from interagency charges have been removed to eliminate double counting of expenditures and revenues.

⁹Does not include revenue from the federal 5-cent fuel tax increase.

MOTOR VEHICLES DIVISION

Most of the revenue collected by the Motor Vehicles Division is intended for transfer to other divisions. In spite of slight increases in fuel taxes and license fee revenue during the 1981-83 biennium, the amount available for transfer to other divisions actually declined. This was partly the result of increased transfers to outside agencies (an increase in county fuel

taxes, which are a large part of the transfers to outside agencies accounted for much of the increase in total fuel taxes collected). The other significant factor affecting transfers was the increased cost of collections.

Unless there are additional increases in the state gas tax or vehicle registration fees during the next biennium, total revenue collected will decline, further reducing transfers to other divisions.

MOTOR VEHICLES DIVISION REVENUE AND EXPENDITURE STATEMENT (\$1,000's)*

	1979-81 Actual	1981-83 Estimated	1983-85 Recommended
Beginning Balance	1,986	1,478	155
Revenue			
Fuels Taxes ¹	189,078	196,307	185,219
Licenses, Fees and Other Income ²	107,710	116,374	119,502
Federal Funds ³	120	34	45
Transfers In	180	--	--
Transfers Out			
To ODOT Agencies ⁴	(249,022)	(245,403)	(233,550)
To Other Agencies ⁵	(10,404)	(21,021)	(17,623)
Available for Expenditure	39,646	47,170	53,748
Expenditures			
Administration	12,413	16,366	18,835
Licensing	23,748	27,353	30,341
Motor Vehicle Accident Fund	2,008	3,896	2,042
Total Expenditures	38,168	47,615	51,218
Ending Balance	1,478	155	2,630

*Totals may not add due to independent rounding.

¹Highway gas and use fuel taxes, county gas taxes, aviation gas and jet fuel taxes.

²Business licenses and fees, interest earnings, sales income and other revenue.

³Fatal Accident Reporting System.

⁴Fuel taxes, registration fees and special dedicated revenue transferred to the Highway Division; recreational vehicle fees transferred to the Parks and Recreation Division; aviation gas and jet fuel taxes transferred to the Aeronautics Division; and Central Services assessment.

⁵County gas taxes; Department of Education Student Driver Training Fund and Mobile Safety Education; and Traffic Safety Commission.

PARKS AND RECREATION DIVISION

The Parks and Recreation Division relies on four sources of financing: state general funds; park user fees and other park income; recreational vehicle fees collected by the Motor Vehicles Division; and Federal Land and Water Conservation and Historic Preservation Act funds.

During the 1981-83 biennium there was virtually no change in revenue available to the division. Increasing costs of maintenance and operation, however, required the complete elimination of capital construction and acquisition in order to balance the budget. To improve its revenue base, the division has experimented with a

PARKS AND RECREATION DIVISION REVENUE AND EXPENDITURE STATEMENT (\$1,000's)*

	1979-81 Actual	1981-83 Estimated	1983-85 Recommended
Beginning Balance	--	1,872	1,606
Revenue			
State General Funds	9,113	7,140	8,064
Parks Revenue ¹	9,439	10,780	10,331
Federal Funds ²	7,827	8,201	2,772
Transfers In ³	11,116 ⁴	10,241	12,399
Available for Expenditure	37,494	38,235	35,172
Expenditures			
Administration & Technical Support	3,749	4,034	4,402
Recreation & Cultural Programs ⁵	2,129	1,663	1,296
Local Grants-In-Aid ⁶	7,544	6,826	2,431
Maintenance and Operations ⁷	19,403	24,085	25,516
Capital Construction	2,797	--	510
Total Expenditures	35,622	36,628	34,155
Ending Balance	1,872	1,606	1,017

*Totals may not add due to independent rounding.

¹Park user fees, damage claims, real property rental, interest income, land and timber sales.

²Land and Water Conservation Fund and Historic Preservation Act funds.

³Recreational Vehicle Fees transferred from Motor Vehicles Division, Highway Division transfer under rest area maintenance agreement and other payments.

⁴Intra-agency transfer of state general funds has been netted out.

⁵Willamette Greenway, Scenic Rivers, Recreation Trails, and Ocean Beaches programs.

⁶Federal funds.

⁷Includes rehabilitation expenditures.

more diversified system of park fees, including day-use fees at some parks.

During the next biennium, the division will be faced with severe funding problems. Opportunities for further increases in park-user fees will be limited; little additional revenue will be available from recreational vehicle fees; and federal assistance will be reduced to one-third of its present level. Increases in state general funds under the Governor's recommended budget are not sufficient to affect other losses. The result will be cutbacks in most division programs while increases in maintenance and operations will not be sufficient to keep parks open and operating at present levels.

PUBLIC TRANSIT DIVISION

The revenues and expenditures of the Public Transit Division are exaggerated by the presence of the Banfield Transitway Account. When Banfield funds are removed from the budget, the remaining transit program totals between \$5 and \$6 million per biennium financed by state general funds and federal Urban Mass Transit Act funds.

During the 1981-83 biennium, general funds to the Public Transit program were reduced while federal funds were increased. The result was a program of approximately the same overall size.

The Governor's recommended budget for the 1983-85 biennium contains further reductions in state general funds. Without increases in federal funding there would be reductions in every program area.

The major impact of federal transit legislation accompanying the gas tax will be to increase capital funds available in urbanized areas. New federal legislation will also improve funding of the Public Transit Division's Small City and Rural Transit Assistance Program.

The Banfield Transitway Account, which is part of the Urbanized Area Assistance Program, was established by the 1979 Legislature to assist the construction of a light-rail line between Portland and Gresham. \$16.1 million was set aside in an account to be administered by the Public Transit Division. Because the account draws interest, total expenditures from the fund at the completion of the project in 1986 will be approximately \$24 million.

PUBLIC TRANSIT DIVISION
REVENUE AND EXPENDITURE STATEMENT
(\$1,000's)*

	1979-81 Actual	1981-83 Estimated	1983-85 Recommended
Beginning Balance ¹	--	18,997	10,263
Revenue			
State General Funds	19,338 ²	2,967	2,439
Interest Income ¹	3,897	4,046	317
Federal Funds ³	2,316	2,722	1,620 ⁸
Local Participation	213	227	328
Available for Expenditure	25,764 ⁴	28,960	14,966
Expenditures			
Field and Central Services	895	887	811
Elderly and Handicapped Programs	457	581	575
Urbanized Area Assistance	2,544 ⁵	14,372 ⁶	11,891 ⁷
Intercity Transit Assistance	625	370	--
Small City/Rural Assistance	2,246	2,486	1,672 ⁸
Total Expenditures	6,767 ⁴	18,697	14,949
Ending Balance	18,997 ¹	10,263 ¹	17

*Totals may not add due to independent rounding.

¹Banfield Transit Account.

²Includes \$16,100,000 deposit to the Banfield Transitway Account.

³Urban Mass Transit Act Funds.

⁴Intra-agency transfers of state general funds have been netted out.

⁵Includes \$1,000,000 in expenditures from the Banfield Transitway Account.

⁶Includes \$12,780,000 in expenditures from the Banfield Transitway Account.

⁷Includes \$10,580,000 in expenditures from the Banfield Transitway Account.

⁸Does not include increased funding levels provided through the federal 5-cent fuel tax increase.

CENTRAL SERVICES

Financing for ODOT Central Services comes primarily from assessments on the divisions and charges for services. Two programs within Central Services have special funding sources. The tourism program is financed by state general funds and the State Rail Program is financed primarily from federal funds with state general funds used for required state match. As with the department as a whole, revenue and

expenditures rose during the 1981-83 biennium, but were lower than the legislatively approved budget.

The Governor's recommended budget transfers the tourism program to the Economic Development Department, with a resulting decline in Central Services' need for state general funds. There are no other significant changes proposed in funding of Central Services during the next biennium.

CENTRAL SERVICES REVENUE AND EXPENDITURE STATEMENT (\$1,000's)*

	1979-81 Actual	1981-83 Estimated	1983-85 Recommended
Beginning Balance	--	324	556
Revenue			
State General Funds	1,625	1,691	41 ¹
Central Services Revenue ²	10	37	-- ¹
Federal Funds ³	952	1,205	1,015
Charges for Services	9,385	9,570	10,705
Division Assessments	6,404	7,107	8,643
Available for expenditure	18,376	19,935	21,160
Expenditures			
Administration & Support Services	16,416	17,697	20,019
Tourism Programs ¹	1,635	1,682	-- ¹
Total Expenditures	18,052	19,379	20,019
Ending Balance	324	556	1,141

*Totals may not add due to independent rounding.

¹Tourism program is to be transferred to the Economic Development Department under the Governor's Recommended Budget. If Tourism were not transferred, the following items would be added to the 1983-85 Recommended Revenues and Expenditures:

State General Funds	\$1,807,000
Central Services Revenue	17,000
Tourism Program	1,824,000

²Sale of publications and other.

³Local Rail Assistance.



DEPARTMENT OF TRANSPORTATION
135 Transportation Bldg., Salem, OR 97310

Fred Miller, Director
378-6388

George Bell, Assistant Director
Intergovernmental & Public Affairs
378-6546

L. W. Rulien, Assistant Director
Administration
378-6388

Joe Christian, Fiscal Officer
Financial Management
378-6416

Paul E. Burket, Administrator
Aeronautics Division
378-4176

H. S. Coulter, State Highway Engineer
Highway Division
378-6516

David G. Talbot, Administrator
Parks and Recreation Division
378-5019

David P. Moomaw, Administrator
Motor Vehicles Division
378-6997

Dennis H. Moore, Administrator
Public Transit Division
378-8201

Shirley Eads, Director
Travel Information Section
378-6309

